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MANUEL & LLIZA LAGMAY
3325 WILSHIRE BL 505
LOS ANGELES, CA 90010-1721

Date: DECEMBER 5, 1991
Tax Year Ended and Deficiency: DECEMBER 31, 1988 \$53,287.00
Person to Contact: CONTACT FUNCTION
Contact Telephone Number: 209-443-7914
6:30 AM TO 9:00 PM
(NOT A TOLL FREE NUMBER)

SEC. 6653(A)(1)IRC	\$2,664.00
SEC. 6661(A) IRC	\$13,322.00

Dear Taxpayer:

We have determined that there is a deficiency (increase) in your income tax as shown above. This letter is a NOTICE OF DEFICIENCY sent to you as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this deficiency in court before making any payment, you have 90 days from the above mailing date of this letter (150 days if addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. The petition should be filed with the United States Tax Court, 400 Second Street NW, Washington, D.C. 20217, and the copy of this letter should be attached to the petition. The time in which you must file a petition with the Court (90 or 150 days as the case may be) is fixed by law and the Court cannot consider your case if your petition is filed late. If this letter is addressed to both a husband and wife, and both want to petition the Tax Court, both must sign the petition or each must file a separate, signed petition.

If you dispute not more than \$10,000 for any one tax year, a simplified procedure is provided by the Tax Court for small tax cases. You can obtain information about this procedure, as well as a petition form you can use, by writing to the Clerk of the United States Tax Court at 400 Second Street NW, Washington, D.C. 20217. You should do this promptly if you intend to file a petition with the Tax Court.

If you decide not to file a petition with the Tax Court, we would appreciate it if you would sign and return the enclosed waiver form. This will permit us to assess the deficiency quickly and will limit the accumulation of interest. The enclosed envelope is for your convenience. If you decide not to sign and return the statement and you do not timely petition the Tax Court, the law requires us to assess and bill you for the deficiency after 90 days from the above mailing date of this letter (150 days if this letter is addressed to you outside the United States).

If you have any questions about this letter, please write to the person whose name and address are shown above, or you may call that person at the number shown above. If this number is outside your local calling area, there will be a long distance charge to you. If you prefer, you may call the IRS telephone number listed in your local directory. An IRS employee there will be able to help you, but the office at the address shown on this letter is most familiar with your case.

When you send the information we requested or if you write to us with questions about this letter, please provide your telephone number and the most convenient time for us to call if we need additional information. Please attach this letter to any correspondence to help us identify your case. Keep the copy for your records.

Thank you for your cooperation.

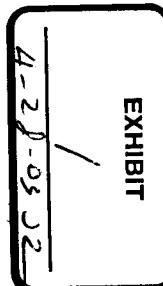
Sincerely yours,

FRED T. GOLDBERG JR.

Commissioner
By

THERON C. POLIVKA
DIRECTOR, SERVICE CENTER

Enclosures:
Copy of this letter
Waiver
Envelope



PROPOSED CHANGES TO YOUR 1988 INCOME TAX

(DETAILED INFORMATION FOR THE FOLLOWING CHANGES BEGINS ON PAGE 3)

CHANGED ITEM(S)	SHOWN ON RETURN	REPORTED TO IRS	INCREASE (DECREASE)
NONEMPLOYEE COMPENSATION	\$ 2,432	\$ 134,617	\$ 132,185.00

PROPOSED CHANGES IN ADJUSTED GROSS INCOME

TOTAL INCREASE	\$ 132,185.00
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COMPUTATION OF CHANGE IN TAX

1. TAXABLE INCOME PER RETURN.....	1) \$ 34,105.00
2. CORRECTED TAXABLE INCOME.....	2) 166,290.00
3. CORRECTED TAX.....	3) 47,413.00
4. CREDITS, AS CORRECTED OR SHOWN ON RETURN.....	4) 960.00
5. OTHER TAXES, AS CORRECTED OR SHOWN ON RETURN.....	5) 11,718.00
6. TOTAL CORRECTED TAX.....	6) 58,171.00
7. TAX AS SHOWN ON RETURN.....	7) 4,884.00
8. TAX INCREASE.....	8) 53,287.00
9. ADDITION TO TAX FOR SUBSTANTIAL UNDERSTATEMENT OF TAX LIABILITY.....	9) 13,322.00
10. INTEREST FROM 4-15-89 TO 15 DAYS AFTER THE DATE OF THIS NOTICE.....	10) 20,693.00
11. ADDITION TO TAX ON UNDERREPORTED INCOME/OVERCLAIMED DEDUCTIONS.....	11) 2,664.00
12. PROPOSED AMOUNT DUE IRS.....	12) 89,966.00

IF ANY OF THE INCOME SHOWN ON THIS NOTICE IS NOT YOURS, PLEASE PROVIDE US WITH THE ACTUAL RECIPIENT'S NAME, ADDRESS, AND SOCIAL SECURITY NUMBER, OR PROVIDE US WITH A COPY OF THE TAX RETURN ON WHICH IT WAS REPORTED, IF YOU HAVE ACCESS TO IT. IF THE INCOME BELONGS TO YOUR MINOR CHILD AND NO TAX RETURN WAS REQUIRED TO BE FILED, PLEASE PROVIDE US WITH A SIGNED EXPLANATION OF THIS. ALSO, HAVE THE PAYER CORRECT THEIR RECORDS TO SHOW THE ACTUAL RECIPIENT'S NAME AND SOCIAL SECURITY NUMBER SO THAT FUTURE REPORTS TO IRS WILL BE CORRECT.

IF YOU AGREE WITH OUR PROPOSED CHANGES, YOU DO NOT HAVE TO FILE AN AMENDED TAX RETURN FOR 1988. HOWEVER, YOU SHOULD REVIEW YOUR SUBSEQUENT YEAR RETURNS TO DETERMINE IF ALL INCOME FOR THOSE YEARS WAS PROPERLY REPORTED. IF YOU FIND THAT IT WAS NOT REPORTED, YOU SHOULD PROMPTLY FILE AN AMENDED RETURN (FORM 1040X) FOR EACH YEAR AND PAY ANY ADDITIONAL TAX AND INTEREST. DOING SO NOW WOULD BE TO YOUR ADVANTAGE SINCE IT WILL COST YOU LESS IN INTEREST AND YOU MAY AVOID CERTAIN PENALTIES.

NOTE: THE INTERNAL REVENUE SERVICE HAS AGREEMENTS WITH STATE AND CERTAIN LOCAL TAX AGENCIES UNDER WHICH INFORMATION ABOUT FEDERAL TAX, INCLUDING INCREASES AND DECREASES, IS EXCHANGED.

LAGM DO 95 08/14/91

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AMOUNTS REPORTED TO IRS BUT NOT IDENTIFIED, FULLY REPORTED, OR CORRECTLY DEDUCTED ON
YOUR INCOME TAX RETURN FOR 1988.

1. FIRST CHOICE NURSING SERV	ISSUED FORM 1099-MISC TO [REDACTED] \$ 18,250	TIP
ACCOUNT NUMBER EIN 95-3747878		
2. FIRST CHOICE NURSING SERV	ISSUED FORM 1099-MISC TO [REDACTED] \$ 27,849	0004
ACCOUNT NUMBER EIN 95-3747878		
3. RAMASEAN NURSING SERVICE	ISSUED FORM 1099-MISC TO [REDACTED] \$ 7,892	0005
ACCOUNT NUMBER EIN 95-4116818		
4. RAMASEAN NURSING SERVICE	ISSUED FORM 1099-MISC TO [REDACTED]	0006
ACCOUNT NUMBER EIN 95-4116818		
5. SAM CARLO NURSING SERVICE	ISSUED FORM 1099-MISC TO [REDACTED] \$ 13,966	0007
ACCOUNT NUMBER EIN 95-4119949		
6. SAM CARLO NURSING SERVICE	ISSUED FORM 1099-MISC TO [REDACTED]	0008
ACCOUNT NUMBER EIN 95-4119949		
7. DYNAMIC MANPOWER SERVICES	ISSUED FORM 1099-MISC TO [REDACTED] \$ 432	0009
ACCOUNT NUMBER EIN 95-4129882		
8. DYNAMIC MANPOWER SERVICES	ISSUED FORM 1099-MISC TO [REDACTED]	0010
ACCOUNT NUMBER EIN 95-4129882		
9. AMITY NURSING SERVICE INC	ISSUED FORM 1099-MISC TO [REDACTED]	0011
ACCOUNT NUMBER EIN 95-4132968		
10. AMITY NURSING SERVICE INC	ISSUED FORM 1099-MISC TO [REDACTED] \$ 320	0012
ACCOUNT NUMBER EIN 95-4132968		
11. NATIONAL HEALTHCARE NETWO	ISSUED FORM 1099-MISC TO [REDACTED] \$ 16,745	0013
ACCOUNT NUMBER EIN 95-4150729		
12. NATIONAL HEALTHCARE NETWO	ISSUED FORM 1099-MISC TO [REDACTED]	0014
ACCOUNT NUMBER EIN 95-4150729		
		0015

LAGM DO 95 08/14/91
DEC 05 199113. WESTSIDE NURSING SERVICE I
ACCOUNT NUMBER
EIN 95-4165596ISSUED FORM 1099-MISC TO 331-68-0806
FOR NONEMPLOYEE COMPENSATION \$ 3,310

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EXPLANATION OF CHANGES

DISCLOSURE AUTHORIZATION STATEMENT

IF YOU WANT SOMEONE IN ADDITION TO YOURSELF TO DISCUSS THIS NOTICE WITH THE IRS, PLEASE SIGN AND DATE THE AUTHORIZATION STATEMENT ON THE LAST PAGE OF THIS NOTICE. ALSO INCLUDE THE NAME AND ADDRESS OF THE INDIVIDUAL YOU WISH TO DESIGNATE. THE PERSON THAT YOU DESIGNATE MAY GIVE AND RECEIVE INFORMATION ABOUT THIS NOTICE FOR THIS TAX YEAR ONLY. THEY CANNOT SIGN FOR YOU, OR REPRESENT YOU IN AN INTERVIEW OR IN U.S. TAX COURT. PLEASE HAVE THE PERSON YOU HAVE DESIGNATED WRITE TO US AT THE ADDRESS SHOWN ON THIS NOTICE AND PROVIDE US WITH ANY ADDITIONAL INFORMATION THAT MAY HELP US TO RESOLVE THE PROPOSED CHANGES. IF ADDITIONAL INFORMATION IS REQUIRED, WE WILL REQUEST THE ADDITIONAL INFORMATION FROM YOU THROUGH THEM.

YOU MAY CHANGE OR CANCEL YOUR AUTHORIZATION BY SENDING A SIGNED STATEMENT TO THE OFFICE THAT ISSUED THIS NOTICE. PLEASE STATE THAT YOU WISH TO CHANGE OR CANCEL YOUR DISCLOSURE AUTHORIZATION FOR THE 1988 TAX YEAR.

SELF-EMPLOYMENT TAX

NET EARNINGS OF \$400 OR MORE FROM SELF-EMPLOYMENT INCOME ARE SUBJECT TO SELF-EMPLOYMENT TAX. WE INCREASED YOUR TAX ACCORDINGLY.

NON-EMPLOYEE COMPENSATION

NON-EMPLOYEE COMPENSATION IS SUBJECT TO SELF-EMPLOYMENT TAX, SINCE NO FICA (SOCIAL SECURITY TAX) HAS BEEN WITHHELD BY THE PAYER. YOUR SOCIAL SECURITY ACCOUNT WILL BE CREDITED WITH THIS AMOUNT OF SELF-EMPLOYMENT TAX INDICATED ON THIS NOTICE.

ADDITION TO TAX ON UNREPORTED INCOME

SINCE PART OR ALL OF THE UNDERPAYMENT OF TAX IS DUE TO THE FACT THAT YOU DID NOT REPORT ALL OF THE INCOME YOU RECEIVED AND/OR YOU OVERCLAIMED YOUR DEDUCTIONS, AN ADDITION TO TAX WAS CHARGED UNDER SECTION 6653(A) OF THE INTERNAL REVENUE CODE. THE ADDITION TO TAX IS 5% OF THE UNDERPAYMENT ATTRIBUTABLE TO THE UNREPORTED INCOME AND/OR OVERCLAIMED DEDUCTION AS REQUIRED BY SECTION 6653(G). IN THE FOLLOWING LIMITED CIRCUMSTANCES, YOU MAY REQUEST A WAIVER OF THE ADDITION TO TAX BY PROVIDING CLEAR AND CONVINCING EVIDENCE THAT:

1. THE INFORMATION DOCUMENT IS IN ERROR AND YOU REPORTED THE CORRECT AMOUNT;
2. THE UNREPORTING WAS CAUSED BY THE DEATH OR ILLNESS OF THE TAXPAYER AND THE INFORMATION RETURN WAS NOT AVAILABLE TO THE PREPARER; OR
3. THE UNREPORTING WAS CAUSED BY THE DESTRUCTION OF YOUR RESIDENCE, PLACE OF BUSINESS, OR BUSINESS RECORDS BY CIVIL DISTURBANCES, FIRE OR OTHER CASUALTY. IN CASES SUCH AS THESE, YOU MUST PROVIDE A WRITTEN STATEMENT OF THE FACTS, TOGETHER WITH ANY SUPPORTING DOCUMENTS, AND REQUEST THAT THE ADDITION TO TAX BE WAIVED.

ADDITION TO TAX FOR SUBSTANTIAL UNDERSTATEMENT OF TAX LIABILITY

SINCE THE UNREPORTING OF TAX EXCEEDS THE GREATER OF 10% OF THE CORRECTED TAX LIABILITY OR \$5000, THERE IS AN ADDITION TO TAX OF 25% OF THE UNREPORTING ATTRIBUTABLE TO THE UNREPORTING, PLUS INTEREST FROM THE DUE DATE OF THE RETURN. THE ADDITION TO TAX MAY BE REDUCED IF YOU CAN EXPLAIN WHY YOU BELIEVED YOUR TAX TREATMENT OF THE ITEMS WAS PROPER, OR YOU CAN EXPLAIN WHERE THE ITEMS WERE REPORTED OR DISCLOSED ON YOUR TAX RETURN OR ATTACHMENTS TO YOUR TAX RETURN. THIS ADDITION TO TAX MAY BE WAIVED OR REDUCED IF YOU CAN SHOW REASONABLE CAUSE FOR THE UNREPORTING AND THAT YOU ACTED IN GOOD FAITH.

INTEREST PERIOD

INTEREST HAS BEEN FIGURED FROM APRIL 15, 1989 TO 15 DAYS AFTER THE DATE OF THIS NOTICE ON THIS PROPOSED CHANGE ONLY. YOU MAY RECEIVE A SEPARATE NOTICE FOR ANY CHANGE TO THIS INTEREST CHARGE. IF A FULL PAYMENT WAS RECEIVED, INTEREST IS FIGURED FROM APRIL 15, 1989, TO THE DATE OF THE PAYMENT. WE ARE REQUIRED TO CHARGE INTEREST AS PROVIDED BY LAW, ON THE UNPAID TAX FROM THE DUE DATE OF THE RETURN, TO THE DATE THE TAX IS PAID.

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